

Research Update:

Bloomfield, CT GO Debt Lowered To 'AA' And Placed On CreditWatch Negative On Delayed Audits, Insufficient Information

December 30, 2025

Overview

- S&P Global Ratings has lowered its rating one notch to 'AA' on [Bloomfield](#), Conn.'s general obligation debt and placed it on CreditWatch with negative implications.
- The lower rating reflects our downward revision of the management assessment due to a history of delayed audit filings.
- The CreditWatch placement reflects the lack of timely and sufficient information to maintain the ratings.

Rationale

Security

The town's unlimited-tax full-faith-and-credit pledge secures its debt outstanding.

Credit highlights

We lowered the rating to reflect our view that key financial information (audits) is communicated with persistent delays and inconsistent with 'AA+' peers within the state and across the US. This adjustment weakens our overall view of the town's financial management practices, especially when considering ongoing transparency and reporting methods. We also note that Bloomfield has experienced regular turnover in the town manager and the director of finance positions over the past several years. The town continues to make headway in finalizing its fiscal 2024 information and removing the roadblocks that led to delayed reporting. Its other credit factors remain strong, with an expanding local economy and anticipated positive performance and reserve levels in fiscal 2024 and 2025.

Bloomfield's last on-time audit occurred for fiscal 2020 and it has since not been compliant with state regulations on audit timing. The fiscal 2023 audit was completed in June 2024, and in late

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July 2024 the town's finance department and payroll office experienced personnel turnover with a significant number of key department members leaving. When new management came in it focused on stabilizing operations and, after ensuring that regular financial activities were completed, looked to start the audit process for fiscal 2024. However, this took longer than expected because the new management team needed to complete a significant number of reconciliations that had not been included in fiscal 2024 actuals, with the previous team focused on completing the fiscal 2023 audit. Management now expects the fiscal 2024 audit should be completed by the end of February 2026, followed by the fiscal 2025 audit, and with the goal of completing the fiscal 2026 audit by the end of December 2026. If achieved, this would move the town back on track for reporting.

The 'AA' rating also reflects:

- A stable economy with household incomes that are in line with county levels but higher than national averages. The town continues to see economic development, highlighted by over 500 residential units under construction and various commercial developments underway. With a recently completed reassessment, the town saw its grand list increase roughly 39.4%. The town is phasing in the growth over the next four years, which is the maximum amount of time allowable under Connecticut law.
- The town's consistent delays in completing audits in a timely manner, and beyond state timing requirements, which informs our revised view of management. The town continues to implement new practices, provide additional support to accelerate previously delayed reporting, and instill new operational goals for department heads. Management uses five years of historical data to build revenue and expenditure assumptions and budget-to-actual reports are provided to the town council monthly. There is also a five-year capital improvement plan that identifies project costs and current-year funding sources, a reserve policy that requires the town to maintain a target fund balance of 15%-20% of annual general fund expenditures, and a debt policy that limits debt service to 8%-10% of budget with a minimum 50% principal retirement in 10 years. The town is also taking steps to mitigate cyber risk.
- Performance that is anticipated to remain positive, given projections anticipate revenue outpacing expenditure for fiscal years 2024 and 2025. Management typically budgets conservatively for revenue. The 2026 general fund budget of \$113.6 million includes the appropriation of \$3.75 million in fund balance, which is consistent with recent years and management's first year of the four-year phase in of the 39.4% increase in assessments. A new inclusion to the budget is a council approved transfer of \$4 million in unassigned fund balance to a committed reserve for economic development projects. Based on current budget to actuals, the town is anticipating balanced year-end results.
- Our expectation that the town's reserve position will slightly increase in fiscal years 2024 and 2025, based on preliminary results. For fiscal 2026, there will likely be some movement in reserves given the anticipated transfer to committed reserves, but we expect the town to remain compliant with its fund balance policy.
- Elevated but manageable debt and liabilities following increases to Bloomfield's debt profile in recent years but limited new money bonding plans for the next couple of years. The town's other postemployment benefit (OPEB) liability is considerable, and we believe it remains a credit weakness. The town participates in the Connecticut Retirement Income Plan (net pension liability of \$19 million; 75.3% funded) as well as the Connecticut Police Retirement Income Plan (net pension liability of \$17.5 million; 59.2% funded). The OPEB trust had a net OPEB liability of \$75.8 million as of June 30, 2023.

- For more information on our institutional framework assessment for Connecticut municipalities, see: "[Institutional Framework Assessment: Connecticut Local Governments](#)," Sept. 9, 2024.

Environmental, social, and governance

Given the delays in financial reporting, we view the town’s governance risk as elevated. We view environmental and social factors as neutral in our rating analysis.

Environmental, social, and governance (ESG) credit factors for this change in credit rating/outlook and/or CreditWatch status:

- Transparency and reporting

CreditWatch

The CreditWatch placement reflects that there is at least a one-in-two likelihood we could withdraw the rating within the next 90 days, depending on the town’s ability to provide us with its fiscal 2024 audit.

Bloomfield, Connecticut--credit summary

Institutional framework (IF)	1
Individual credit profile (ICP)	2.36
Economy	1.0
Financial performance	3
Reserves and liquidity	1
Management	3.05
Debt and liabilities	3.75

Bloomfield, Connecticut--key credit metrics

	Most recent	2023	2022	2021
Economy				
Real GCP per capita % of U.S.	143	143	145	143
County PCPI % of U.S.	107	107	108	108
Market value (\$000s)	3,580,974	3,541,953	3,432,127	3,743,434
Market value per capita (\$)	162,735	164,337	162,961	179,757
Top 10 taxpayers % of taxable value	20.5	19.3	20.6	18.0
County unemployment rate (%)	3.2	3.2	4.2	6.6
Local median household EBI % of U.S.	115	112	119	113
Local per capita EBI % of U.S.	120	119	127	122
Local population	22,005	21,553	21,061	20,825
Financial performance				
Operating fund revenues (\$000s)	--	102,398	100,909	101,641
Operating fund expenditures (\$000s)	--	106,207	104,290	99,773

Bloomfield, Connecticut--key credit metrics

	Most recent	2023	2022	2021
Net transfers and other adjustments (\$000s)	--	1,747	(322)	(172)
Operating result (\$000s)	--	(2,062)	(3,703)	1,696
Operating result % of revenues	--	(2.0)	(3.7)	1.7
Operating result three-year average %	--	(1.3)	0.7	2.4
Reserves and liquidity				
Available reserves % of operating revenues	--	22.1	24.4	27.9
Available reserves (\$000s)	--	22,595	24,657	28,359
Debt and liabilities				
Debt service cost % of revenues	--	5.3	5.8	9.5
Net direct debt per capita (\$)	3,356	2,436	2,729	3,092
Net direct debt (\$000s)	73,846	52,505	57,471	64,389
Direct debt 10-year amortization (%)	62	77	--	--
Pension and OPEB cost % of revenues	--	6.0	8.0	8.0
NPLs per capita (\$)	--	1,739	1,867	--
Combined NPLs (\$000s)	--	37,474	39,330	--

Financial data may reflect analytical adjustments and are sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. GCP--Gross county product. PCPI--Per capita personal income. EBI--Effective buying income. OPEB--Other postemployment benefits. NPLs--Net pension liabilities.

Ratings List

Downgraded;CreditWatch Action

	To	From
Local Government		
Bloomfield Twn, CT Unlimited Tax General Obligation	AA/Watch Neg	AA+/Stable

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

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